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PH economy grew 7-7.4% in 2010

NEDA chief notes strong Q4 expansion

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MANILA, Philippines—Economic growth likely surpassed the government's target in 2010 as services, industry and agriculture expanded strongly in the last quarter of the year, the National Economic and Development Authority said Tuesday.

The country's gross domestic product (GDP) expanded between 6.2 and 7.2 percent in the fourth quarter, Economic Planning Secretary Cayetano Paderanga told reporters.

With nine-month GDP growth at 7.5 percent (driven by election spending in the first half), the economy's full-year expansion was placed at 7 to 7.4 percent for the whole year. The government aimed for 5-6 percent GDP growth in 2010.

Services, which contributed nearly half of GDP, also performed well in the fourth quarter. Paderanga said the sector, which included the booming business process outsourcing, was estimated to have grown anywhere between 5 and 9 percent.

Industry growth, which comprised about a third of GDP, grew at a "high single-digit" rate.

Agriculture recovered in the fourth quarter, expanding by 6.35 percent, following crop losses in the previous quarters due to the El Niño dry spell.

The farming sector slightly contracted (-0.12 percent) for the whole year despite a prolonged drought since early in the year and the spate of typhoons in the latter part of 2010.

The agriculture sector, when combined with forestry, contributed almost 20 percent of domestic production.

Despite last week's reports that economic managers were set to review economic targets for 2011, Paderanga said the Philippines was still targeting a growth of 7-8 percent in 2011 despite the lack of election spending this year.

Philippines economy grew by 7 – 7.4% in 2010 – Business Enquirer, Jan 25th 2011

“We will try to attain that as much as we can. With the reforms coming in, perhaps it might be more achievable in 2012 than 2011, but we will still try to hit the target,” Paderanga said. The official said that economic managers were to go over measures and projects geared at spurring production and see where improvements could be made.

“We will be missing the driver of election spending [but] the global environment is again improving and we hope that improves a lot. I think the numbers coming out of the US and Europe are slightly better than the numbers that were coming out in the last quarter,” Paderanga said.

“Maybe sometime during the middle of the year, we will have a better idea of what else to do,” he said.

Among the areas that might be evaluated were proposed public-private partnerships and their projected impact on economic growth.

“What we’re actually trying to do is try to raise investment rates, so we hope that will add to the growth,” Paderanga said.